Manitoba

Annual Report 1984 - 85

Agriculture

The Manitoba Water Services Board

Manitoba

Agriculture

The Manitoba Water
Services Board

P.O. Box 1059
2022 Currie Boulevard
Brandon, Manitoba. CANADA
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(204) 727-1917

The Honourable Bill Uruski
Minister of Agriculture

Sir:

I have the honour of presenting herewith the Thirteenth Annual Report of The Manitoba Water Services Board for the fiscal year ending March 31, 1985, together with the financial statements of the Board for the same period.

Yours respectfully,

C.C. Cranston
Chairman
The Manitoba Water Services Board

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The Manitoba Water Services Board

Chairperson
C.C. Cranston
Assistant Deputy Minister
Farm and Rural Development
Department of Agriculture

Vice-Chairperson
T.E. Weber
Director
Water Resources Branch
Department of Natural Resources

Members
N.E. Brandson
Director
Environmental Management
Department of Environment and
Workplace Safety and Health

F.R. Dennis
Director of Advisory and Financial Services
Municipal Budgets and Finance
Department of Municipal Affairs

G. Jasper
Reeve
Rural Municipality of Sifton

The Manitoba Water Services Board

The Manitoba Water Services Board was established in July 1972 under The Manitoba Water Services Board Act to assist in the provision of water and sewage facilities to the residents of rural Manitoba. It replaced the Manitoba Water Supply Board, taking over all responsibilities of the former Board and continues to own and operate 37 water supply installations in the Province.

The Board is composed of representatives of the Departments of Agriculture, Natural Resources, Environment, and Municipal Affairs, and one citizen member. It reports to the Legislature through the Minister of Agriculture.

The amalgamation of The Manitoba Water Services Board and Agri-Water Branch of the Department of Agriculture was completed during the 1983/84 fiscal year. Effective April 1, 1984 all Agri-Water Branch staff and operating budget was transferred to The Manitoba Water Services Board. Since that date The Manitoba Water Services Board has delivered the Agri-Water activities on behalf of Manitoba Department of Agriculture.

Objectives

The Manitoba Water Services Board has the following specific objectives as outlined in the Act:

a) The obtaining of supplies of potable water for domestic and other uses within the province, and the selling of water to municipalities and water districts.

b) The acquisition or construction and the operation and maintenance of all plants and works necessary for obtaining, collecting, storing, treating, purifying and transmitting water.

c) The transmission of water from a source of supply or a point of storage to a point of acceptance by a municipality or a water district either within or without the municipality or water district.

d) The acquisition or construction and the operation and maintenance of works for the distribution of water.

e) The acquisition or construction and the operation and maintenance of works for the collection of sewage.

f) The acquisition or construction and the operation and maintenance of works for the treatment and disposal of sewage.

Procedures followed to meet the objectives are:

a) The Board operated 47 water treatment plants and sold potable water for domestic and other uses to various municipalities and water districts.

b) During the fiscal year 1984/85 the Board constructed three water treatment plants which were turned over to the respective municipalities for operation.

b & c) There were 37 water treatment plants constructed by The Manitoba Water Supply Board prior to 1972. These are now operated by The Manitoba Water Services Board. The potable water produced is sold in bulk to the municipalities. In addition 10 water treatment plants were constructed by The Manitoba Water Services Board under cost-sharing agreements with the municipalities which are operated at the request of the municipalities by The Manitoba Water Services Board with water sold in bulk to the municipalities.

d,e, & f) In 1984/85 water and sewage facilities for 18 municipalities were constructed and turned over to the respective municipalities for ownership and operation.

The Board can enter into agreements with any municipalities which have become a "declared area" by order of the Lieutenant-Governor-in-Council, under Section 10 of the Act. Once an application is received and the Board has made the necessary physical and engineering investigations, received Treasury Board approval, an Offer is submitted to the municipality for the construction of new works, extensions, and/or improvements to existing works. The works may be owned and operated either by the Board or the municipality.

After the municipality has received the necessary Municipal Board approvals and the Agreement has been executed, the Board enters into the necessary contracts for design and construction of the works.

The Board also enters into agreements with municipalities and non-profit water utilities (water districts) for Agri-Water projects when requested. Total project management which includes engineering design approvals, tendering, contract administration and interim financing can be provided utilizing the same procedures followed by The Manitoba Water Services Board for larger municipal projects. Details of these agreements are given under Construction Agreements Submitted and Signed. The details regarding the nature of the total Agri-Water activities and provincial financial contribution is provided in the Department of Agriculture's Annual Report.

The Manitoba Water Services Board owns and operates 37 water treatment plants constructed prior to 1972 by The Manitoba Water Supply Board. The Manitoba Water Services Board Act requires the Board to fix rates for plants constructed prior to 1972, to recover costs pertaining to the services supplied, taking into account grants for rate stabilization provided by the Province of Manitoba. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ending March 31, 1985, rate stabilization grants totalling $549,403 were paid in respect of the operation of 28 of the plants constructed under The Manitoba Water Services Board Act.

New agreements between The Manitoba Water Services Board and a municipality vary in length, however, an agreement is long enough to ensure a stable period of operation for the Board works and to guarantee satisfactory water and sewage services to the municipality. In some instances the municipality has requested and the Board has agreed to operate water treatment plants on behalf of the municipality.

In June, 1984, the Manitoba Government introduced a new Grant Formula for The Manitoba Water Services Board which will increase the level of provincial funding for most water and sewage works in the province. The new formula is summarized as follows:

1. The share capital cost of construction to be assumed by the municipality is set at:
   a) For both water and sewage, the capitalized amount which 20 mills on the equalized assessment discounted at the current rate of borrowing (established each January) plus 50% of the balance of the project cost. Capital debt on existing utilities are taken into account in the calculation.
   b) For sewer systems only, the limit is the capitalized amount which 8 mills on the equalized assessment discounted at the current rate of borrowing (established each January) plus 50% of the balance of the project cost.
   c) For water systems only, the limit is the capitalized amount which 12 mills on the equalized assessment discounted at the current rate of borrowing (established each January) plus 50% of the balance of the project cost.
   d) In no instance will the grant on systems for communities with population less than 300 be less than 30% of the project cost.

The provincial grant was increased from 50% to 60% of shareable costs for most northern communities which are north of the Northern Affairs boundary. However, since the costs in The Pas are not as great as those in most northerly communities the provincial grant was increased from 50% to 55%.

Where solid bedrock is encountered a special grant of 50% of the additional costs related to bedrock is available. The remaining 50% is included as part of the capital costs of the project, for purposes of calculating the communities "front end" expenses and the provincial grant.

Summary of Services In 1984-85

Preliminary Investigations

Two more municipal corporations were made "declared areas" and the Board received 46 applications for assistance from individual municipalities during the year.

A total of 21 engineering feasibility studies were completed. On the basis of these and previously completed studies, the Board submitted 37 agreements (27 regular budget and 10 JOBS FUND) for the construction of water and/or sewer facilities to municipalities. One amendment to an existing agreement was submitted to one municipality.

Forty-one agreements (25 regular budget, 11 JOBS FUND, 3 Community Water Source Development Program and 2 Agricultural Area Pipeline) submitted during this and the previous year, as well as one amended agreement, were signed by March 31, 1985. Estimated costs for these agreements and the dates they were signed are given in the following table:

Construction Agreements Submitted And Signed

during April 1, 1984 to March 31, 1985

	Date Agreement Signed	Estimated Capital Cost of Project
*Argyle (RM) (Baldur)	August 7, 1984	$162,000
Benito (Village)	August 7, 1984	40,000
Binscarth (Village)	April 11, 1984	80,400
*Cartier (RM) (Elie)	November 26, 1984	364,000
Cartier (RM) (Elie)	November 26, 1984	61,000
*Erickson (Village)	April 11, 1984	19,000
Fisher (LGD) (Fisher Branch)	June 25, 1984	1,049,400
*Flin Flon (City)	June 28, 1984	2,000,000
*Franklin (RM) (Dominion City)	April 11, 1984	7,000
Gimli (RM) (South Beach)	September 13, 1984	534,000
Grey (RM) (Elm Creek)	October 23, 1984	304,000
***Halbstadt-Marais Water Co-op	October 23, 1984	710,000
Hamiota (Village)	October 2, 1984	220,000
Hamiota (Village)	October 2, 1984	320,000
Hanover (LGD) (Blumenort)	May 7, 1984	550,000
Hanover (RM) (Mitchell)	October 30, 1984	383,000
Killarney (Town)	February 19, 1985	290,000
***Maple Creek Water Co-op	December 10, 1984	223,000
*Minitonas (Village)	July 12, 1984	42,000
*Morris (Town)	July 12, 1984	80,000
Neepawa (Town)	October 9, 1984	26,000
Pilot Mound (Village)	July 18, 1984	197,000
Plum Coulee (Village)	November 13, 1984	10,200
Red River Regional Water System		
Altona (Town), Gretna (Village), Rhineland (RM), Montcalm (RM), Halbstadt Marais (Water Co-op)	October 23, 1984	2,000,000
**Rhineland (RM) (Gnadenthal)	November 5, 1984	176,980
**Rhineland (RM) (Schoenweise)	November 5, 1984	93,370
Russell (Town)	April 4, 1984	1,181,000
*St. Claude (Village)	October 9, 1984	446,000
*St. Georges Utilities Co-op	December 10, 1984	152,700
Ste. Rose du Lac (Village)	May 4, 1984	1,025,000
Snow Lake A-1 (Town)	September 6, 1984	1,460,000
Snow Lake (Town)	February 22, 1985	2,200,000
*Stonewall (Town)	July 12, 1984	120,000
Tache (RM) (Landmark)	February 4, 1985	708,000
*Teulon (Village)	November 26, 1984	200,000
Victoria (RM) (Holland)	October 23, 1984	20,000
Winkler (Town)	October 30, 1984	2,400,000
Winnipeg Beach (Village)	February 22, 1985	1,600,000

* *JOBS FUND Projects*

** *Community Water Source Development Program*

*** *Agricultural Area Pipeline*

Design and Construction 1984-85

Water and sewerage project design and construction resulted in total expenditure of $6.147M, of which approximately $2.433M was contributed by the Province. For further details refer to Exhibit D of the Financial Statement.

Under these provincially funded projects approximately 58,000 cu.m of earth was moved in the construction of waste stabilization ponds, over 11,000 metres of sewers and 27,000 metres of watermains were installed. In addition, 1,000,000 litres of water storage capacity were constructed in the form of concrete reservoirs.

Projects Substantially Completed Under Regular Budget were:

		Project Costs	Provincial Grants
Binscarth (3)	– Water and Sewer Extensions	$ 74,480	$ 37,240
Cartwright	– Water and Sewer Extensions	44,932	22,466
Elie (3)	– Water and Sewer Extensions, Water Supply	59,124	29,562
Grandview (2)	– Lift Station	50,000	25,000
Mitchell	– Sewerage System	272,642	116,612
Plum Coulee (2)	– Water Treatment Plant Upgrading	7,664	3,832
St. Jean Baptiste (4)	– Watermain Renewals	155,771	77,885
South Beach	– Sewerage System	471,667	229,865
Snow Lake (2)	– Sewage Forcemain	1,478,288	739,144
Winkler (3)	– Water Supply	411,692	205,846

Projects Substantially Completed Under The JOBS FUND Budget were:

		Project Costs	Provincial Grants
Baldur	– Water Supply, Distribution, Sewer Extension	$131,516	$ 65,758
Benito (3)	– Water Supply	40,871	20,435
Ethelbert (2)	– Water and Sewer Extension	65,466	32,733
Minitonas (4)	– Water Treatment Upgrading	35,362	17,681
Morris (4)	– Water Extensions	59,740	29,870
Neepawa (4)	– Water Extensions	18,935	9,467
Powerview	– Watermain Renewals and Extensions	132,104	25,092
Teulon (2)	– Sewerage System Improvements	220,157	110,078

Projects Under Design or Construction at Year End were:

*Blumenort	– Waste Stabilization Pond Expansion, Lift Station, Forcemain
Elm Creek	– Water Supply and Treatment
*Fisher Branch	– Sewerage System
Flin Flon (3)	– Water and Sewer Main Renewals, Lift Station, Heating Plant Monitoring System
Hamiota (5)	– Water and Sewer Extension, Waste Stabilization Pond Expansion
Hamiota (6)	– Water Supply, Treatment Plant Upgrading
Holland	– Water Supply Upgrading
Killarney	– Sewer Renewals and Upgrading
Pilot Mound	– Water Supply System Upgrading
Red River Regional Water Supply System	– Water Supply and Treatment
Russell	– Water Supply System Upgrading, Watermain Renewals
*St. Claude	– Water and Sewer Extensions
Ste. Rose du Lac	– Water Supply System Upgrading, Waste Stabilization Pond Expansion, Lift Station and Forcemain Upgradings
St. Jean (5)	– Water Main Renewals
*St. Malo	– Waste Stabilization Relocation, Lift Station and Forcemain
Sandy Lake (6)	– Water and Sewer Extensions
Snow Lake (3)	– Sewage Treatment Plant, Lift Station
*Stonewall	– Water Supply
Winkler (4)	– Waste Stabilization Pond Relocation, Lift Station, Gravity Sewer and Forcemain
Winnipeg Beach	– Low Pressure Sewer System

* *JOBS FUND*

The Board operates forty-seven water treatment plants of which thirty-seven were constructed prior to 1972 by The Manitoba Water Supply Board now referred to as "previously constructed works". Of these, water rates for twenty-seven were at the subsidized level of $4.85 per 1000 Imperial gallons effective April 1, 1985. Effective April 1, 1985 the new water rates were approved for Altona, Gretna and Rhineland as follows:

Altona, Gretna, Rhineland	to $3.40 per 1000 Imperial Gallons for the first 40.56 million gallons and $2.90 in excess of that quantity

Water rates remained unchanged at Reston, McCreary, Russell, Winkler, Rossburn, Ste. Rose du Lac, Somerset, St. Claude and Notre Dame de Lourdes.

Effective April 1, 1985 new water rates were approved for two newly constructed works.

Lac Du Bonnet	to $0.85 per 1000 Imperial Gallons
Rapid City	to $3.10 per 1000 Imperial Gallons

Water rates remained unchanged at Cranberry Portage, Grunthal, Stonewall, Birch River, Elm Creek, Miami, Plum Coulee, and Swan Lake.

Operations and Maintenance

Consultants finalized designs for four lime-soda ash plants indentified by The Manitoba Water Services Board as requiring upgrading and/or major expansion. Majority of the upgrading works will be completed during 1985.

The Red River Regional Water Supply concept was finalized. P.F.R.A. designed and constructed the raw water intake works and water supply line from Letellier to Altona. Design of the new water treatment plant at Letellier was completed with construction scheduled for 1986.

A water supply line from the Red River Regional water plant to Roseau River and Dominion City has been approved. Design and construction are scheduled for 1986.

Distribution pumps were replaced at three Board plants to meet increased water demand. The Board hired and trained two water plant operators during 1985.

Sale of Water

Town or Municipality	Consumption 1984 - 1985	Actual Cost of Production Per 1,000 I.G.	April 1/85 Selling Price 1,000 I.G.	Type of Treatment
Altona[2]	73,048,000	3.37	3.40	A,B
R.M. of Argyle (Baldur)	6,125,000	5.78	4.85	B,C
Benito	6,665,000	4.81	4.85	C
R.M. of Blanshard (Oak River)	1,999,000	8.46	4.85	C
Bowsman	4,697,000	9.51	4.85	C
R.M. of Cartier (Elie)	6,932,000	6.38	4.85	C,D
Cartwright	6,988,000	5.53	4.85	C,D
L.D.G. of Consol (Cranberry Portage)	164,000	0.14 cu.m.	0.13 cu.m.	E
Deloraine[1]	18,565,000	5.93	4.85	A,B
Erickson	9,403,000	5.46	4.85	B,C,D
Ethelbert	5,689,000	6.51	4.85	C
R.M. of Franklin (Dominion City)	6,462,000	7.82	4.85	D
Gilbert Plains	11,716,000	7.02	4.85	A
Gretna[2]	11,355,610	3.37	3.40	A,B
R.M. of Grey[3]	1,122,000	3.26	4.15	NONE
R.M. of Grey (Elm Creek)	3,825,000	4.43	5.00	C,D
Hamiota	15,888,000	7.46	4.85	A,B
R.M. of Hanover (Grunthal)	17,210,000	0.72	1.20	E
R.M. of Harrison (Sandy Lake)	5,289,000	5.30	4.85	C
Lac du Bonnet	30,441,000	1.10	0.75	F
R.M. of Lorne (Swan Lake)	21,973	0.38 cu.m.	0.47 cu.m.	E
Manitou	17,594,000	5.10	4.85	A,B
McCreary	10,648,000	2.69	3.45	B,C
Minitonas	7,056,000	11.49	4.85	Reverse Osmosis
R.M. of Montcalm (Letellier)	6,329,000	9.52	4.85	A
R.M. of Montcalm (St. Jean Baptiste)	9,784,630	6.25	4.85	A
L.G.D. of Mountain (Birch River)	5,819,000	1.82	2.25	E
Notre Dame de Lourdes	14,127,000	1.19	1.30	E
Pilot Mound	17,096,000	6.08	4.85	A,B
R.M. of Pipestone (Reston)	12,087,000	2.45	3.15	B,C
Plum Coulee	8,335,000	6.92	6.45	A
Rapid City	5,911,000	3.70	3.10	C
R.M. of Rhineland[2]	6,016,830	3.37	3.40	A,B
R.M. of Ritchot (Ste. Agathe)	6,009,000	5.81	4.85	E
R.M. of Rosedale (Kelwood)	2,971,000	7.78	4.85	E
Rossburn	17,640,000	3.73	3.80	B,C,D
Russell	32,580,000	4.40	4.50	A
R.M. of Silver Creek (Angusville)	1,996,000	12.53	4.85	C
Somerset	10,223,000	2.66	3.00	E
Ste. Rose du Lac	22,358,000	3.58	4.10	A
St. Claude[3]	11,302,000	4.15	4.15	E
R.M. of Shellmouth (Inglis)	2,276,000	11.52	4.85	C
Stonewall[5]	40,300,000	0.35	0.50	E
R.M. of Strathclair (Strathclair)	5,921,000	8.93	4.85	C,D
R.M. of Strathcona (Belmont)	4,629,000	6.36	4.85	C
R.M. of Thompson (Miami)	6,708,000	2.32	3.60	C
R.M. of Victoria (Holland)	6,903,000	5.14	4.85	C
R.M. of Winchester[4]	2,427,000		1.00	NONE
Winkler	130,892,000	2.41	2.80	A,B
Winnipegosis	12,304,000	6.32	4.85	A
R.M. of Woodworth (Kenton)	3,666,000	12.27	4.85	F

Altona, Gretna, and Rhineland have a selling price of $3.40 per thousand Imp. gal., however, when consumption for each reaches 40,560,000 Imp. gal. the selling price is reduced to $2.90 per thousand Imp. gal. However, the only one affected is Altona which reaches 40,560,000 in July.

1. *Water provided by the same treatment Plant.*
2. *Water provided from the same water source.*
3. *Water provided from same water treatment Plant.*
4. *Untreated water delivered directly from water source.*
5. *Effective April 1, 1985 this plant was turned over to the Town*

Type of Treatment:

A — Lime soda softening
B — Fluoridation
C — Iron and/or manganese removal
D — Zeolite Softening
E — Chlorination
F — Coagulation, sedimentation

Manitoba

Office of the Provincial Auditor
Report

The Manitoba Water Services Board

We have examined the financial statements, being Exhibits A, B, C, D and E, and Schedules 1 to 3, of The Manitoba Water Services Board for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Water Services Board as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

November 17, 1985,
Winnipeg, Manitoba

F.H. Jackson, C.A.,
Provincial Auditor.

Exhibit A
The Manitoba Water Services Board

Balance Sheet

as at March 31, 1985

Assets

	1985	1984
Current assets:		
Cash on hand and on deposit with the Minister of Finance	$ 375,434	$ 271,600
Accounts receivable	530,444	663,446
Grants receivable from the Government of the Province of Manitoba – subsidization of construction costs	161,699	510,130
Accrued interest	785,337	763,745
Prepaid expenses	190,157	36,569
	2,043,071	2,245,490
Debentures receivable from municipalities, Schedule 1 (Note 2)	17,928,170	16,766,304
Construction in progress recoverable from municipalities and the Government of the Province of Manitoba (Note 3)	1,307,070	848,983
Fixed assets: (Note 4)		
Works, at cost		
Land and easements	80,977	80,977
Buildings and equipment	5,579,767	5,578,902
	5,660,744	5,659,879
Less: Accumulated depreciation	3,642,864	3,488,982
	2,017,880	2,170,897
Accumulated excess of operating expenditures over revenues, recoverable, Exhibit C, (Note 5)	2,670,900	3,468,556
Amortized interest recoverable	96,237	63,981
	$26,063,328	$25,564,211

Liabilities

	1985	1984
Current liabilities:		
Accounts payable and accrued charges	$ 1,018,921	$ 773,685
Capital debt, Schedule 3: (Note 2)		
Advances from the Government of the Province of Manitoba	17,657,556	17,153,628
Advances and debentures – Canada Mortgage and Housing Corporation (Note 7)	2,631,144	2,735,348
Bonds	5,977,000	5,977,000
	26,265,700	25,865,976
Less sinking funds: (Note 1 f)		
Cash on deposit with the Minister of Finance	144,022	111,541
Investments, at cost, Schedule 2	1,218,857	1,141,448
	1,362,879	1,252,989
	24,902,821	24,612,987
Interest adjustment fund account Exhibit D, (Note 8)	141,586	177,339
	$26,063,328	$25,564,211

Approved on behalf of the Board:

Exhibit B
The Manitoba Water Services Board

Statement of Operating Revenues and Expenditures

for the year ended March 31, 1985

	1985	1984
Revenues:		
Sale of water	$2,238,551	$1,876,543
Interest:		
Municipalities	1,972,068	1,762,075
Sinking funds and funds on deposit	204,062	148,903
Grant from the Government of the Province of Manitoba		
– subsidization of water rates	549,403	698,021
– other	60,660	—
	5,024,744	4,485,542
Expenditures:		
Interest:		
Advances	2,030,307	1,768,922
Bonds and debentures	643,620	655,399
Audit and other fees	11,603	16,444
Chemicals	401,223	387,880
Depreciation	153,882	171,196
Salaries and benefits	680,488	649,578
Heat, telephone, light and power	274,288	244,090
Repairs and maintenance	111,845	166,339
Water purchased for resale	192,816	172,682
Water quality expense	—	6,891
	4,500,072	4,239,421
Interest allocated to interest adjustment fund account, Exhibit D	(35,753)	86,670
Interest applied to construction	(237,231)	(167,911)
	4,227,088	4,158,180
Excess of operating revenues over expenditures, Exhibit C	$ 797,656	$ 327,362

Exhibit C
The Manitoba Water Services Board

Statement of Accumulated Excess of Operating Expenditures over Revenues, Recoverable, (Note 5)

for the year ended March 31, 1985

	1985	1984
Balance, beginning of year	$3,468,556	$3,795,918
Deduct: Excess of operating revenues over expenditures, Exhibit B	797,656	327,362
Balance, end of year, Exhibit A	$2,670,900	$3,468,556

Exhibit D
The Manitoba Water Services Board

Statement of Interest Adjustment Fund Account

for the year ended March 31, 1985

	1985	1984
Balance, beginning of year	$177,339	$ 90,669
Interest allocated from Statement of Operating Revenues and Expenditures, Exhibit B	(35,753)	86,670
Balance, end of year	$141,586	$177,339

Exhibit E
The Manitoba Water Services Board

Statement of Changes in Financial Position

for the year ended March 31, 1985

	1985	1984
Source of Funds:		
From operations:		
Excess of operating revenues over expenditures, Exhibit B	$ 797,656	$ 327,362
Add: Non-cash transactions:		
Depreciation	153,882	171,196
Amortization of sinking fund bond discount – net	(32,256)	(18,087)
	919,282	480,471
The Government of the Province of Manitoba:		
Grants – subsidization of construction costs	2,617,180	2,433,957
Advances – net	503,928	2,165,028
The Government of Canada:		
Construction expenditure recoveries	2,224	21,578
Municipalities:		
Debenture principal repayments	476,300	578,759
Construction expenditure recoveries	1,482,954	958,871
	6,001,868	6,638,664
Application of Funds:		
Construction of facilities for municipalities	6,198,611	6,089,950
Canada Mortgage and Housing Corporation:		
Advances – net	104,204	95,085
Allocated to interest adjustment fund account	35,753	(86,670)
Purchase of fixed assets	865	15,261
Sinking fund payments – net	109,890	105,663
	6,449,323	6,219,289
Increase (Decrease) in working capital	(447,455)	419,375
Working capital, beginning of year	1,471,605	1,052,230
Working capital, end of year	$1,024,150	$1,471,605
Current assets, Exhibit A	$2,043,071	$2,245,490
Less: current liabilities, Exhibit A	1,018,921	773,885
Working capital	$1,024,150	$1,471,605

Schedule 1
Page 1
The Manitoba Water Services Board

Schedule of Debentures Receivable from Municipalities

as at March 31, 1985

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Village of Arborg	5	October 31, 1985-2000	9.25-13.75	$ 175,418
Village of Benito	1	October 31, 1985-1998	9.8	9,945
Village of Binscarth	1	October 31, 1985-1998	11.25	34,028
Village of Binscarth	1	December 31, 1985-2004	12.75	4,410
Rural Municipality of Birtle	2	October 31, 1985-2000	11.25-13.75	146,797
Town of Birtle	2	December 31, 1985-2003	12.625-13.125	251,345
Town of Carman	3	October 31, 1985-1999	9.0-11.25	203,536
Rural Municipality of Cartier	1	October 31, 1985-1995	10.95	121,459
Village of Cartwright	1	December 31, 1985-2004	12.75	21,414
Rural Municipality of Coldwell	2	October 31, 1985-1996	9.8-10.95	129,712
Local Government District of Consol	1	October 31, 1985-1996	9.8	53,401
Town of Dauphin	2	October 31, 1985-1996	9.8-10.95	418,325
Town of Deloraine	3	October 31, 1985-2000	9.8-13.75	93,923
Rural Municipality of DeSalaberry	2	December 31, 1985-2004	12.625-12.75	87,005
Rural Municipality of East St. Paul	3	October 31, 1985-1997	9.0-10.95	141,640
Town of Emerson	3	October 31, 1985-2000	9.8-13.75	46,574
Village of Erickson	1	October 31, 1985-1994	9.25	5,662
Rural Municipality of Eriksdale	1	October 31, 1985-1996	9.8	6,678
Village of Ethelbert	1	October 31, 1985-1989	11.25	6,649
City of Flin Flon	5	December 31, 1985-2004	12.625-12.75	1,651,409
Village of Gilbert Plains	2	October 31, 1985-1995	9.25-10.95	91,447
Town of Gimli	1	October 31, 1985-2000	13.75	90,883
Town of Gladstone	2	December 31, 1985-2004	12.625-12.75	196,479
Village of Glenboro	1	December 31, 1985-2002	13.125	101,507
Town of Grandview	6	October 31, 1985-2000	9.0-13.75	123,365
Town of Grandview	1	December 31, 1985-2002	13.125	59,533
Village of Gretna	3	October 31, 1985-1995	9.8-11.25	26,915
Rural Municipality of Grey	2	October 31, 1985-2000	11.25-13.75	363,799
Village of Hamiota	1	October 31, 1985-2000	13.75	18,319
Rural Municipality of Hanover	2	December 31, 1985-2004	12.75	170,572
Town of Hartney	9	October 31, 1985-2000	9.0-13.75	538,780
Town of Killarney	1	December 31, 1985-1988	6.645	88,719
Village of Lac du Bonnet	1	December 31, 1985-2004	12.75	32,742
Rural Municipality of Lorne	1	October 31, 1985-1997	9.50	249,333
Rural Municipality of Macdonald	4	October 31, 1985-2000	9.8-13.75	314,501
Rural Municipality of Macdonald	6	October 31, 1985-2000	9.0-13.75	163,557
Village of MacGregor	2	December 31, 1985-2003	12.625-13.125	148,171
Village of Manitou	1	October 31, 1985-2000	13.75	21,681
Village of McCreary	2	October 31, 1985-1998	9.0-11.25	80,919
Town of Minnedosa	3	October 31, 1985-1998	9.8-11.25	26,402
Rural Municipality of Miniota	4	October 31, 1985-2000	9.8-13.75	186,109
Village of Minitonas	1	October 31, 1985-1996	9.8	13,105
Rural Municipality of Montcalm	1	October 31,1985-1999	11.25	85,816
Town of Morris	1	December 31, 1985-1998	12.625	61,865
Town of Morris	2	October 31, 1985-1998	9.0-9.8	146,525
Local Government District of Mountain	2	December 31, 1985-2004	12.75-13.125	103,182
Town of Neepawa	2	October 31, 1985-1997	9.0-9.8	125,064
Rural Municipality of North Norfolk	2	October 31, 1985-2000	9.8-13.75	317,750
Village of Notre Dame de Lourdes	3	October 31, 1985-1996	9.25-10.95	103,680
	3	October 31, 1985-1995	9.25-10.95	59,481
Carried forward	113			7,719,531

Schedule 1
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The Manitoba Water Services Board

Schedule of Debentures Receivable from Municipalities

as at March 31, 1985

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Brought forward	113			$ 7,719,531
Rural Municipality of Ochre River	2	December 31, 1985-2002	12.625-13.125	29,785
Rural Municipality of Pembina	1	October 31, 1985-1989	11.25	6,992
Village of Pilot Mound	1	October 31, 1985-2000	13.75	21,818
Rural Municipality of Pipestone	2	October 31, 1985-2000	11.25-13.75	45,575
Village of Plum Coulee	4	October 31, 1985-2000	9.0-13.75	257,187
City of Portage la Prairie	6	October 31, 1985-2000	9.0-13.75	1,725,473
City of Portage la Prairie	1	December 31, 1985-2002	13.125	66,960
Rural Municipality of Portage la Prairie	2	October 31, 1985-1995	9.25-10.95	98,478
Town of Rapid City	1	October 31, 1985-1998	9.8	12,497
Rural Municipality of Ritchot	6	October 31, 1985-2000	9.8-13.75	114,352
Rural Municipality of Ritchot	2	December 31, 1985-2004	12.625-12.75	131,858
Rural Municipality of Riverside	2	October 31, 1985-2000	11.25-13.75	162,852
Village of Riverton	4	October 31, 1985-1998	9.0-10.95	206,318
Village of Riverton	1	December 31, 1985-2002	13.125	17,561
Town of Roblin	2	October 31, 1985-2000	11.25-13.75	288,203
Village of Rossburn	5	October 31, 1985-2000	9.0-13.75	79,760
Town of Russell	1	December 31, 1985-2004	12.75	355,462
Village of Ste. Anne	2	October 31, 1985-1996	9.8-11.25	59,889
Village of St. Claude	3	October 31, 1985-1998	9.8-10.95	49,885
Village of St. Claude	1	December 31, 1985-1999	12.75	15,717
Village of Ste. Rose du Lac	4	October 31, 1985-1997	9.0-10.95	66,494
Village of Ste. Rose du Lac	1	December 31, 1985-2004	12.75	69,000
Town of Selkirk	6	October 31, 1985-2000	9.0-13.75	1,209,225
Village of Shoal Lake	1	October 31, 1985-2000	13.75	161,067
Rural Municipality of Siglunes	1	December 31, 1985-2001	13.125	7,240
Town of Snow Lake	5	December 31, 1985-2004	12.625-13.125	1,036,939
Village of Somerset	2	December 31, 1985-2003	12.625-13.125	78,835
Town of Souris	3	October 31, 1985-1998	9.0-9.8	478,941
Town of Souris	3	December 31, 1985-2000	12.625-13.125	326,894
Town of Steinbach	3	October 31, 1985-1997	9.0-10.95	82,067
Town of Stonewall	2	October 31, 1985-2006	9.8-10.95	879,986
Rural Municipality of Strathclair	1	October 31, 1985-1988	9.8	24,292
Rural Municipality of Strathcona	2	October 31, 1985-2000	11.25-13.75	43,362
Local Government District of Stuartburn	3	October 31, 1985-2000	9.8-13.75	162,802
Town of Swan River	3	October 31, 1985-1997	9.0-10.95	516,339
Rural Municipality of Tache	3	October 31, 1985-1998	9.0-10.95	26,403
Village of Teulon	1	October 31, 1985-2006	8.0	350,839
Rural Municipality of Thompson	1	October 31, 1985-1996	9.8	131,166
Village of Treherne	2	October 31, 1985-1996	9.8-11.25	141,349
Town of Virden	3	October 31, 1985-1998	9.8-13.75	349,334
Town of Virden	1	December 31, 1985-1998	13.125	17,588
Community of Wabowden (Note 6)	1	August 1, 1985-1995	9.0	200,365
Village of Waskada	1	October 31, 1985-1988	9.25	1,053
Village of Wawanesa	2	October 31, 1985-2000	11.25-13.75	47,641
Town of Winkler	1	October 31, 1985-1996	9.8	20,858
Town of Winnipeg Beach	2	October 31, 1985-2000	11.25-13.75	31,938
	220			$17,928,170

Schedule 2
The Manitoba Water Services Board

Schedule of Sinking Fund Investments

as at March 31, 1985

	Interest Rate %	Maturity Date	Par Value	Cost
Debentures:				
Province of Manitoba	11¾	March 15, 1993	$ 253,000	$ 245,156
Manitoba Hydro Electric Board	6¼	October 1, 1986	4,000	3,516
Manitoba Hydro Electric Board	6¼	February 1, 1989	26,000	20,491
Manitoba Hydro Electric Board	6	April 15, 1992	376,000	246,500
Manitoba Hydro Electric Board	6½	September 1, 1992	23,000	16,142
Manitoba Hydro Electric Board	9	April 1, 1990	11,000	9,865
Manitoba Hydro Electric Board	8½	September 15, 1991	37,000	31,158
Manitoba Hydro Electric Board	7⅞	April 5, 1992	74,000	56,741
Manitoba Hydro Electric Board	8¼	August 31, 1992	271,000	222,413
Manitoba Hydro Electric Board	8⅜	August 1, 1998	111,000	76,897
Manitoba Hydro Electric Board	8⅜	December 17, 1998	36,000	24,205
Manitoba Hydro Electric Board	10	June 10, 1994	85,000	76,980
Manitoba Hydro Electric Board	8	April 1, 1991	11,000	8,622
Manitoba Hydro Electric Board	7	November 15, 1987	10,000	8,370
Manitoba Telephone System	5½	December 2, 1986	30,000	25,839
Manitoba Telephone System	6¼	December 1, 1991	52,000	36,612
Manitoba Telephone System	7	February 15, 1993	158,000	109,350
			$1,568,000	$1,218,857

Schedule 3
Page 1
The Manitoba Water Services Board

Schedule of Capital Debt

as at March 31, 1985

	1985	1984
Advances from the Government of the Province of Manitoba:		
9% payable annually October 31, 1985-1997	$ 1,649,026	$ 1,714,937
9.8% payable annually October 31, 1985-1998	1,827,115	1,887,470
11.25% payable annually October 31, 1985-1999	1,830,982	1,877,871
9.25% payable annually March 31, 1986-2004	1,305,071	1,394,139
9.8% payable annually October 31, 1985-2006	1,419,823	1,474,413
9.4% payable annually October 31, 1985-2007	39,733	40,228
13.75% payable annually October 31, 1985-2000	3,491,085	3,552,634
13.125% payable annually December 31, 1985-2002	1,099,163	1,115,793
12.625% payable annually December 31, 1985-2004	2,306,145	—
Other	2,689,413	4,096,143
	17,657,556	17,153,628
Canada Mortgage and Housing Corporation Debentures:		
7 7/8% payable annually August 1, 1985-1994	69,997	74,463
8% payable annually December 1, 1985-1995	52,569	55,463
8% payable annually January 1, 1986-1996	31,736	33,484
8% payable annually January 1, 1986-1996	40,647	42,885
8% payable annually February 1, 1986-1996	43,185	45,564
10% payable annually February 1, 1986-1996	80,932	84,840
10 3/8% payable annually January 1, 1986-1996	104,974	109,819
10 3/8% payable annually January 1, 1986-1996	23,145	24,235
10 3/8% payable annually February 1, 1986-1996	76,985	80,611
10 3/8% payable annually February 1, 1986-1996	50,481	52,859
10 3/8% payable annually February 1, 1986-1996	58,989	61,767
10 3/8% payable annually February 1, 1986-1996	120,043	125,697
10 3/8% payable annually December 1, 1985-1996	117,764	122,552
10 3/4% payable annually August 1, 1985-1996	54,649	56,810
10 3/4% payable annually December 1, 1985-1996	33,102	34,412
10 3/4% payable annually December 1, 1985-1996	15,102	15,699
8% payable annually April 1, 1986-1997	12,574	13,181
8% payable annually July 1, 1985-1997	722,471	753,222
10% payable annually July 1, 1985-1997	28,412	29,445
10% payable annually July 1, 1985-1997	19,796	20,516
10 3/8% payable annually April 1, 1985-1997	116,989	121,746
10 3/8% payable annually April 1, 1985-1997	103,691	107,907
10 3/4% payable annually July 1, 1985-1997	147,935	153,005
9 5/8% payable annually February 1, 1986-1998	67,160	69,677
11% payable annually November 1, 1985-2002	437,816	445,389
	2,631,144	2,735,348
Bonds:		
Canada Pension Plan Investment Fund, subject to prior redemption, guaranteed as to principal and interest by the Government of the Province of Manitoba:		
5.42% bonds due April 1, 1986	2,954,000	2,954,000
7.26% bonds due June 2, 1989	3,023,000	3,023,000
	5,977,000	5,977,000
	$26,265,700	$25,865,976

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1985

1. Significant Accounting Policies

a) ***Basis of accounting***

The Board's financial statements have been prepared using the accrual basis of accounting except that, in accordance with the procedures followed by the Government of the Province of Manitoba, the Board's disbursement account was held open until April 19, 1985 for the payment of accounts for expenditures incurred during the fiscal year ended March 31, 1985.

b) ***Accumulated excess of operating expenditures over revenues, recoverable***

The accumulated excess of operating expenditures over revenues shown on the balance sheet pertains to plants operated under the following terms:

(A) Plants owned and operated by the Board with cost recovery over a 35 year life. These plants were constructed prior to 1972 under The Manitoba Water Supply Board Act. The Act was amended in 1972 and became known as The Manitoba Water Services Board Act with no further additions under this program. The amended Act provides for grants for rate stabilization by the Government of the Province of Manitoba.

(B) The plants operated by the Board under agreements with municipalities which were constructed since 1972 under The Manitoba Water Services Board Act.

All operating deficits of plants operated by the Board are recoverable from the municipalities.

c) ***Interest Adjustment Fund Account***

The Board maintains a separate fund account balance for interest adjustments.

d) ***Administration costs***

The costs related to the administration and general operation of the Board are paid out of an appropriation of the Department of Agriculture. These expenses are not reflected in the financial statements.

e) ***Depreciation policy***

The Board provides depreciation on a straight line basis for its fixed assets over an 18 year term for equipment and a 35 year term for buildings.

f) ***Sinking fund***

The sinking fund is maintained in accordance with the requirements of The Manitoba Water Services Board Act which prescribes that the Board pay a minimum annual installment to the Minister of Finance of the Province of Manitoba of not less than 1% of the principal amount of the outstanding capital indebtedness on the preceding March 31, together with 4% of the balance in the sinking fund at that date.

Income earned on sinking fund investments is remitted to the Board and is included with interest revenue for the year.

2. Debentures Receivable from Municipalities

The Board obtained capital debt financing at fixed interest rates in accordance with approved repayment schedules of advances from the Government of the Province of Manitoba and of debentures payable to Canada Mortgage and Housing Corporation. In turn, the Board received cash payments or obtained debentures from municipalities for their share of capitalized costs for plant construction. The debentures were issued in amounts and at fixed interest rates sufficient to discharge the municipalities' share of the corresponding capital debt financing provided by the Government of the Province of Manitoba and Canada Mortgage and Housing Corporation.

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1985

3. Construction in Progress Recoverable from Municipalities and the Government of the Province of Manitoba

	March 31	
	1985	1984
Balance at beginning of year	$ 848,983	$ 511,801
Construction during the year, Exhibit E	6,198,611	6,089,950
	7,047,594	6,601,751
Recoveries during the year		
Municipalities:		
Cash payments received, Exhibit E	1,482,954	958,871
Debentures received	1,638,166	2,338,362
	3,121,120	3,297,233
The Government of the Province of Manitoba, Exhibit E:		
Grants – subsidization of construction costs	2,617,180	2,433,957
The Government of Canada, Exhibit E:		
Construction expenditure recoveries	2,224	21,578
	5,740,524	5,752,768
Balance at end of year, Exhibit A	$1,307,070	$ 848,983

4. Fixed Assets

The following is the summary of the Board's fixed assets:

	1985	1984
Land and easements	$ 80,977	$ 80,977
Buildings	4,267,942	4,267,942
Less: accumulated depreciation	2,382,747	2,258,773
	1,885,195	2,009,169
Equipment	1,311,825	1,310,959
Less: accumulated depreciation	1,260,117	1,230,209
	51,708	80,750
	$2,017,880	$2,170,896

5. Accumulated Excess of Operating Expenditures Over Revenue

The details of plants operated under A and B as explained in note 1 b) are set out below:

	March 31			
	1985		1984	
	No.	Amount	No.	Amount
Plants operated under A – owned and operated by the Board:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	34	$2,754,066	36	$3,480,803
Plants with an accumulated excess of operating revenues over expenditures	3	56,622	1	29,641
	37	$2,697,444	37	$3,451,162

The Manitoba Water Services Board Act requires the Board to fix rates for each plant to recover costs pertaining to the services supplied taking into account grants for rate stabilization provided by the Government of the Province of Manitoba to those plants constructed under The Manitoba Water Supply Board Act. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ended March 31, 1985 rate stabilization grants totalling $549,403 were paid in respect of the operations of 28 of the plants constructed under The Manitoba Water Supply Board Act (1984 – $698,021, respecting 29 plants).

	March 31			
	1985		1984	
	No.	Amount	No.	Amount
Plants operated under B – operated by the Board for Municipalities:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	4	$ 33,781	5	$ 46,326
Plants with an accumulated excess of operating revenues over expenditures	6	60,325	5	28,932
	10	26,544	10	17,394
Totals under A and B	47	$2,670,900	47	$3,468,556

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1985

6. Agreement, Community of Wabowden

Because of the legal status of the Community of Wabowden, the Board has entered into an agreement, in lieu of a debenture, with the Minister of the Department of Northern Affairs who is acting on behalf of the Community. The agreement provides for the recovery of the capitalized costs and interest in accordance with a repayment schedule over a twenty year period ending August 1, 1995.

7. Advances – Canada Mortgage and Housing Corporation

Advances from Canada Mortgage and Housing Corporation are made on approved projects to The Manitoba Water Services Board on the basis of up to two-thirds of the approved costs of projects under construction. The advances made by Canada Mortgage and Housing Corporation are eligible for forgiveness to the extent of 25% of the principal amount of the loan, and 25% of the interest that has accrued in respect of loan advances to the date of completion of the project. Long term debt financing is being provided by the Province and the Canada Mortgage and Housing Corporation financing obtained during the construction period is repaid.

8. Interest Adjustment Fund Account

The Board charges interest on advances to construction projects and water treatment plants operated by the Board. The policy is to charge interest at a rate which reflects the cost of borrowing by the Board. The difference between interest charged and the cost of borrowing are accumulated in the Interest Adjustment Fund Account. The Board, from time to time, adjusts interest rates to maintain a reasonable balance in the Interest Adjustment Fund Account.

The balance in the Interest Adjustment Fund Account was previously included in construction in progress recoverable from municipalities and the Government of the Province of Manitoba on the Balance Sheet.

9. Capital Authority

The Legislature has authorized the borrowing and expending of monies for municipal sewer and water systems. The unexpended amounts as at March 31, 1985 are as follows:

Legislative Authority	Unexpended balance as at March 31, 1985
The Loan Act 1981	$ 300,000
The Loan Act 1982	2,000,000
The Loan Act 1983	3,000,000
The Loan Act 1984	7,000,000
	$12,300,000